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Message Text

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PAGE 01 PEKING 02578 190400Z
ACTION L-03

INFO OCT-01 EA-10 ISO-00 EB-08 COME-00 TRSE-00 CIAE-00
INR-10 NSAE-00 CG-00 DOTE-00 DODE-00 SS-15 SP-02
/049 W
----------053440 190410Z /12
P 190320Z AUG 78
FM USLO PEKING
TO SECSTATE WASHDC PRIORITY 1745

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E.O. 11652: NA
TAGS: ETRN CH

SUBJ: TAXATION OF INSTRUMENTS OF FOREIGN COMMERCE

REF: STATE 191803, PEKING 2398, PEKING 2368

1. ON AUG 18, JEN CHIEN-HSIN, DIRECTOR, LEGAL DEPARTMENT,CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE GAVE USLO RESPONSE TO OUR INQUIRY ON TAXATION OF INSTRUMENTS OF FOREIGN COMMERCE.

2. PRC LEVIES TONNAGE TAX ON VESSELS USED IN FOREIGN TRADE. THERE ARE TWO TYPES OF TAXES, GENERAL (ORDINARY) TAX AND FAVORABLE (MOST FAVORED NATION) TAX. THE FAVORABLE TAX APPLIES TO THOSE COUNTRIES WHICH HAVE SHIPPING AGREEMENTS WITH CHINA AND IS APPLIED ON A RECIPROCAL BASIS BASED ON MOST FAVORED NATION TREATMENT. THE GENERAL TAX APPLIES TO ALL OTHER COUNTRIES. GENERALLY SPEAKING, THE GENERAL TAX RATES ARE HIGHER THAN THE FAVORABLE TAX RATES, FOR EXAMPLE, VESSELS EXCEEDING 5,000 TONS, THE GENERAL TAX IS YUAN 1.80 PER TON AND THE FAVORABLE TAX IS YUAN 1.10 PER TON.

3. THERE ARE PROVISIONS FOR EXEMPTION FROM THE TONNAGE
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TAX, AS FOLLOWS:
(A) FOR THOSE COUNTRIES WITH WHICH THE PRC HAS DIPLOMATIC RELATIONS, VESSELS USED BY EMBASSIES, LEGATIONS, OR CONSULATES ARE NOT SUBJECT TO THIS TAX;
(B) VESSELS WHICH ARE INVOLVED IN MARITIME ACCIDENTS AND CALL AT CHINESE PORTS SEEKING REFUGE AND REPAIRS, AND WHICH DO NOT EMBARK ON DEBARK PASSENGERS, ARE NOT SUBJECT

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TO THIS TAX.
(C) FOREIGN VESSELS WHICH CALL AT CHINESE PORTS FOR BUNKERING, AND WHICH DO NOT REMAIN IN THE CHINESE PORT FOR MORE THAN 24 HOURS, ARE NOT SUBJECT TO THE TAX.

4. CCPIT PROVIDED USLO WITH A JUNE 1975 DOCUMENT CONTAINING PROVISIONAL RULES GOVERNING THIS TAX WHICH WERE BEING POUCHED TO EA/PRCM.

5. IN THE CASE OF AIRCRAFT AND RAILROAD CARRIERS IN FOREIGN TRADE, THE PRC PRESENTLY DOES NOT IMPOSE TAXES.
WOODCOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSTRUMENTS, TAXES, CARGO SHIPS, CONTAINERS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PEKING02578
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780339-0518
Format: TEL
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780845/aaaabkxb.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e0ee5160-c288-dd11-92da-001cc4696bcc
Office: ACTION L
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Handling Restrictions: n/a
Reference: 78 STATE 191803, 78 PEKING 2398, 78 PEKING 2368
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1684602
Secure: OPEN
Status: NATIVE
Subject: TAXATION OF INSTRUMENTS OF FOREIGN COMMERCE
TAGS: ETRN, CH
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e0ee5160-c288-dd11-92da-001cc4696bcc
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